



Department of Justice

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NEW YORK MARINE PRODUCTS SUPPLY FIRM PLEADS GUILTY TO PARTICIPATING IN A CONSPIRACY TO COMMIT BRIBERY

WASHINGTON — A marine products supply firm pleaded guilty and agreed to pay a criminal fine today for participating in a conspiracy to commit bribery in connection with a project to repair New York's Pier 86, the principal location of the Intrepid Sea, Air and Space Museum, the Department of Justice announced.

American Composite Timbers (ACT), a firm engaged in the sale of plastic marine pilings and related products, located in Commack, N.Y., pleaded guilty to a one-count felony charge filed today in U.S. District Court in Islip, N.Y. ACT is charged with facilitating payments from a co-conspirator corporation, a Virginia-based marine products firm, to a former employee of the city of New York, Charles N. Kriss. In exchange for the payments, Kriss ensured that the co-conspirator corporation received orders to supply plastic pilings for a project to repair Pier 86, which was overseen by the city of New York. Kriss further ensured the co-conspirator corporation kept ACT as the distributor of the pilings.

Plastic marine pilings are reinforced synthetic pilings, resembling telephone poles, used as substitutes for traditional wood timber pilings in port and pier construction projects and other marine applications.

Under the terms of the plea agreement, which is subject to court approval, ACT has agreed to pay a criminal fine to be determined by the court and to cooperate fully in the ongoing investigation. According to the charge, the conspiracy began in or about 1999 and continued until in or about 2003.

"We will protect the integrity of public contracting processes," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "Bribery undermines the benefit of competition, and we will continue to prosecute such violations to the full extent of the law."

According to the charge, ACT placed a series of at least eight orders with the co-conspirator corporation for plastic pilings to be used in the Pier 86 reconstruction. The co-conspirator corporation paid 10 percent of the amount of the purchase orders as bribes to influence and reward Kriss for directing orders to the corporation. ACT facilitated these payments and in return became the distributor for the co-conspirator corporation on the project. The bribe payment affected more than \$400,000 in purchase orders.

Kriss, a former New York City Department of Citywide Administrative Services engineer, pleaded guilty in June 2008 in U.S. District Court in Islip to participating in a conspiracy to commit bribery in connection with the Pier 86 repair project. In September 2008, Kriss was sentenced to serve one year and one day in prison and was ordered to pay restitution in the sum of \$36,380, the amount of the payments he received.

Robert Taylor, the former president of the co-conspirator corporation, pleaded guilty in May 2007 in U.S. District Court in Norfolk, Va., to multiple felonies, including a charge of conspiring to bribe Kriss to ensure that his company received orders for plastic marine pilings for use in repairs to Pier 86. In January 2008, he was sentenced to serve two years in prison and pay a \$300,000 fine.

The charge against ACT carries a maximum penalty of a \$500,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charge reflects the Department's commitment to protecting U.S. taxpayers from procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative, announced in October 2006, is designed to promote the early detection, prosecution and prevention of procurement fraud associated with the increase in contracting activity for national security and other government programs.

The ongoing investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section and the Department of Defense's Defense Criminal Investigative Service, with the assistance of the New York City Department of Investigation.

Anyone with information concerning bid rigging or other anticompetitive conduct in the marine products industry is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694 or the Long Island office of the Defense Criminal Investigative Service at 631-420-4302.

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